

Community Development Committee

Meeting date: October 16, 2017

For the Metropolitan Council meeting of October 25, 2017

Subject: Adoption of Utility Allowance Schedule for Metro HRA Rent Assistance Programs

District(s), Member(s): All

Policy/Legal Reference: Code of Federal Regulations Title 24, Part 903

Staff Prepared/Presented: Terri Smith, Director, Housing and Redevelopment Authority

Division/Department: Community Development / HRA

Proposed Action

That the Metropolitan Council approve the attached Utility Allowance Schedule for use in the Housing Choice Voucher and other rent assistance programs effective November 1, 2017.

Background

The Metropolitan Council must establish and maintain a utility allowance schedule for use in its rental assistance programs. In calculating rents for units leased under the Housing Choice Voucher and other rental assistance programs, the housing authority must consider the cost of tenant-paid utilities. A utility allowance is a credit for tenant-paid utilities and is used to determine the family share of the total housing costs (rent + utilities). The allowances are based on average consumption for an energy-conservative household.

The federal regulations require a schedule revision if there has been a change, up or down, of ten percent (10%) or more in any utility rate since the last time the allowance for that utility was revised. The Council last approved allowance changes in October 2016.

Staff completed the annual review of current utility rates for natural gas, electric, propane, fuel oil, water, sewer and trash collection along with average prices for appliances sometimes provided by tenants as required by the lease. The review resulted in one utility rate with a change of ten percent (10%) or more. Fuel Oil increased by 12%. The change is reflected in the attached Utility Allowance Chart. All other allowances remain the same.

Rationale

Utility allowances are used to determine the total housing cost charged to the tenant. The total housing cost is used to determine if the amount is reasonable and affordable to the family and within the program rent limits. The tenant's lease determines which utilities are paid by the tenant and which by the landlord.

There are zero Metro HRA assisted units with oil heating at this time so there is no impact to current assisted households.

Thrive Lens Analysis

The utility allowance schedule revision supports the Thrive outcomes of livability and stewardship. Reviewing and updating utility rates each year ensures program participants are receive accurate rate reimbursements for tenant-paid utilities.

Funding

Funding for the Housing Choice Voucher, Continuum of Care and Housing Opportunities for People with Aids programs is provided by the U.S. Department of Housing and Urban Development through congressional appropriations. Funding for the Minnesota Housing Trust Fund Programs (Bridges and Rental Assistance for Anoka County) is provided by Minnesota Housing Finance Agency through State appropriations.

Known Support / Opposition

There is no known opposition to this action

Allowances for Tenant –Paid Utilities and Appliances

Effective 11/1/17

Implemented December 1, 2017 New and Port; February 1, 2018 Recertifications

Tenant Name _____ Address _____

Circle the amount of the allowance for all utilities you pay. Use the column for the proper bedroom size (BR) and unit type. The “Range and Refrigerator” column is only for tenants who own those appliances. DO NOT circle them if provided by the owner.

UNIT TYPE: A = Apartment/Multiple Dwelling
 (3 or more units attached)

 TH = Townhouse/Duplex
 (2 units attached)

 SF = Single Family Home
 (1 unit)

	UNIT SIZE AND TYPE																	
	0			1			2			3			4			5		
	AP T	TH	SF	AP T	TH	SF	AP T	TH	SF	AP T	TH	SF	AP T	TH	SF	AP T	TH	SF
Heating																		
Natural Gas	30	37	39	34	40	45	38	51	54	43	62	66	47	74	77	51	85	89
Electric	27	39	65	32	46	76	43	60	89	55	75	103	67	89	116	79	104	129
Bottle Gas	44	55	62	51	64	73	60	75	86	69	86	99	78	97	112	87	107	125
Oil	53	67	76	63	79	89	74	92	105	85	105	121	96	118	137	107	131	152
Cooking																		
Natural Gas	3			4			5			6			7			8		
Electric	5			7			10			13			16			18		
Bottle Gas	4			5			7			9			11			13		
Oil	NA			NA			NA			NA			NA			NA		
Water Heating																		
Natural Gas	7			8			11			14			17			21		
Electric	19			22			28			35			41			47		
Bottle Gas	10			12			18			23			29			34		
Oil	11			13			19			25			31			37		
Other Electric	34	40	43	37	45	48	47	57	62	57	70	77	67	82	91	77	95	105
Water	9			13			16			20			25			29		
Water-Selected Rural Communities	18			25			32			39			49			56		
Sewer	12			17			22			27			35			39		
Sewer-Selected Rural Communities	25			35			45			55			70			80		
Trash	24			24			27			28			28			28		
Range	4			4			4			4			4			4		
Refrigerator	4			4			4			4			4			4		